



February 13, 2019

Ms. Marlene H. Dortch  
Secretary  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW – Suite TW-A325  
Washington, D.C. 20554

Re: Certification of CPNI Filing EB Docket No. 06-36

Dear Ms. Dortch:

Kerman Telephone Co., Foresthill Telephone Co, and Audeamus (“Companies”), doing business as Sebastian, submit the enclosed certification and report in compliance with Commission requirements in Section 64.2009(e) of the Commission rules.

These Companies hereby comply with this requirement by submitting the enclosed certificate for the most recent annual period along with a statement explaining how the Companies’ operating procedures ensure compliance in accordance with Section 64.2009(e).

This letter and enclosures are being filed electronically with the Commission. If you have any questions or need additional information, please contact me at 559-846-4892.

Sincerely,

David D. Clark  
Regulatory Manager

Enclosures

**Annual 47 C.F.R. § 64.2009(e) CPNI Certification**

**EB Docket 06-36**

Annual 64.2009(e) CPNI Certification for 2018

Date filed: February 28, 2019

Companies covered by this certification:

<u>NAME</u>	<u>Form 499 Filer ID</u>
Kerman Telephone Co. (dba Sebastian)	808230
Foresthill Telephone Co. (dba Sebastian)	807798
Audeamus, LLC (dba Sebastian)	826922

Name of signatory: Rhonda Armstrong

Title of signatory: Vice President of Administrative Services & General Manager

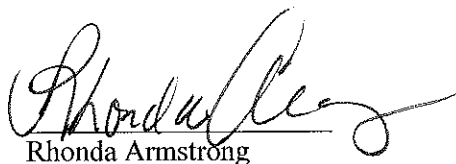
I, Rhonda Armstrong, certify that I am an officer of the companies named above, and acting as an agent of the companies, that I have personal knowledge that they have established operating procedures that are adequate to ensure compliance with the Commission's CPNI rules. *See 47 C.F.R. § 64.2001 et seq.*

Attached to this certification is an accompanying statement explaining how the companies' procedures ensure that they are in compliance with the requirements set forth in section 64.2001 *et seq.* of the Commission's rules.

None of these companies have taken any actions against data brokers in the past year as they have not had any instances of CPNI infractions.

The companies have not received any customer complaints in the past year concerning the unauthorized release of CPNI.

Signed

  
Rhonda Armstrong

## **CPNI OPERATING GUIDELINES**

The Sebastian companies including; Kerman Telephone Co., Foresthill Telephone Co., and Audeamus, ("Sebastian" or "Companies" adhere to the following guidelines (note: Sebastian has another affiliate; KerTel Communications, that does not fall into the CPNI Operating Guidelines due to the nature of their business. If an employee from KerTel Communications has a potential of being exposed to one of the other Certified Sebastian companies then that employee shall also receive training and is expected to follow CPNI Policy as outlined in our Company Policy):

### **General Company Policies**

The Companies uses, discloses, or permits access to CPNI to protect the rights or property of the carrier, or to protect users of those services and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, such services.

The Companies, discloses, or permits access to CPNI for the purpose of providing or marketing service offerings among the categories of service (*i.e.*, local, interexchange, DSL, etc.) to which the customer already subscribes from each Company, without customer approval.

The Companies shares CPNI only among the carrier's affiliated entities that provide a service offering to the customer. Except as noted herein, each Company shares CPNI with its affiliates only when it has approval from the customer through an opt-in or opt-out process as appropriate per FCC rules.

The Companies do not use, disclose or permit access to CPNI to identify or track customers that call competing service providers. For example, each Company does not use local service CPNI to track all customers that call local service competitors.

### **Company Policy Governing the Approval Required for Use of Customer Proprietary Network Information.**

Each Company obtains approval through written, oral or electronic methods, and we understand that each Company bears the burden of demonstrating that such approval has been given in compliance with the applicable FCC Rules.

The customer's approval or disapproval to use, disclose, or permit access to a customer's CPNI obtained by each Company remains in effect until the customer revokes or limits such approval or disapproval.

Each Company may seek alternatively either "opt-in" or "opt-out" approval consistent with applicable FCC requirements in order to obtain authorization to use its customer's individually identifiable CPNI for the purpose of marketing communications-related services to that customer. Each Company, subject to

appropriate customer approval, may disclose its customer's individually identifiable CPNI, for the purpose of marketing communications-related services to that customer, to its agents; its affiliates that provide communications-related services; and its joint venture partners and independent contractors. Each Company also permits such persons or entities to obtain access to such CPNI for such purposes. Disclosure to or access provided to joint venture partners and independent contractors is undertaken in compliance with Joint Venture/Contractor safeguards set forth below:

*Joint Venture/Contractor Safeguards:* Each Company discloses or provides access to CPNI to its joint venture partners or independent contractors that comply with the following requirements:

- (i) Require that the independent contractor or joint venture partner use the CPNI only for the purpose of marketing or providing the communications-related services for which that CPNI has been provided;
- (ii) Disallow the independent contractor or joint venture partner from using, allowing access to, or disclosing the CPNI to any other party, unless required to make such disclosure under force of law; and
- (iii) Require that the independent contractor or joint venture partner have appropriate protections in place to ensure the ongoing confidentiality of consumers' CPNI.

#### **Company Policies Regarding the Notice Required for Use of Customer Proprietary Network Information.**

Prior to any solicitation for customer approval, each Company provides clear and comprehensive notification to the customer of the customer's right to restrict use of, disclosure of, and access to that customer's CPNI. These notifications are retained for at least one year. Customers are provided notice and sufficient information for them to make an informed decision when soliciting approval to use, disclose, or permit access to customers' CPNI. The notification states that the customer has a right, and the Company has a duty, under Federal law, to protect the confidentiality of CPNI and identifies the types of information that constitute CPNI and purposes for which it will be used.

Such notice informs the customer of his or her right to disapprove those uses, as well as the steps the customer must take in order to grant or deny access to CPNI. Notices state clearly that a denial of approval will not affect the provision of any services to which the customer subscribes but may provide a brief statement, in clear and neutral language, describing consequences directly resulting from the lack of access to CPNI, *i.e.*, lack of ability to market certain services that may be of interest to the subscriber.

Each Company waits at least 30 days after giving customers notice and an opportunity to opt-out before assuming customer approval to use, disclose, or permit access to CPNI.

Each Company uses oral notice to obtain limited, one-time use of CPNI for inbound and outbound customer telephone contacts for the duration of the call, regardless of whether carriers use opt-out or opt-in approval based on the nature of the contact.

**Company Policies Regarding Safeguards for Use of Customer Proprietary Network Information.**

Each Company has implemented a system by which the status of a customer's CPNI approval can be clearly established prior to the use of CPNI.

Each Company trains its personnel as to when they are and are not authorized to use CPNI, and has an express disciplinary process in place.

Each Company maintains a record of sales and marketing campaigns that use customers' CPNI. Each Company maintains a record of all instances where CPNI was disclosed or provided to third parties, or where third parties were allowed access to CPNI. The record includes a description of each campaign, the specific CPNI that was used in the campaign, and what products and services were offered as a part of the campaign. Each Company retains the record for a minimum of one year.

Each Company will provide written notice within five business days to the FCC of any instance where the opt-out mechanisms do not work properly, to such a degree that consumers' inability to opt-out is more than an anomaly. The notice will be in the form of a letter, and will include the Company's name, a description of the opt-out mechanism(s) used, the problem(s) experienced, the remedy proposed and when it will be/was implemented, whether the relevant state commission(s) has been notified and whether it has taken any action, a copy of the notice provided to customers, and contact information. This notice will be submitted even if the carrier offers other methods by which consumers may opt-out.

**Company Policies Regarding Safeguarding Privacy of Customer Proprietary Network Information.**

Release of customer CPNI information is only provided when: customers initiating telephone call provide the password of record; request the information to be sent via mail USPS to the customer's address of record; or by calling the telephone number of record and disclose the CPNI information.

Customers CPNI information is also provided at each Company's business office when Customer of record can provide valid, government issued photo

identification, such as a driver's license, passport, or comparable ID issued identification or with their password.

Each Company will notify customer immediately of any account changes including password, customer response to company designed back-up means of authentication, on-line account, address of record, and any other record that may be created or changed. This notification will be through a voicemail or by USPS mail to the address of record as it was prior to the change.

All customer complaints concerning the unauthorized release of CPNI will be logged and retained for a period of five years. This information is summarized in the reporting information below.

Any CPNI breaches are reported within seven (7) days after a reasonable determination of a breach has occurred to law enforcement officials. Should a breach occur, an electronic notification will be sent through the central reporting facility to the United States Secret Service (USSS) and the Federal Bureau of Investigation (FBI). Notification will include a description of the CPNI that was disclosed, how the breach was discovered, an analysis of the sensitivity of the breached CPNI, and any corrective measures taken to prevent recurrence of such breach.

Customer notification of a breach is provided to the customer after 7 days unless alternative direction is provided by law enforcement officials or unless extraordinarily urgent notification is required to avoid immediate and irreparable harm.

Each Company also utilizes multiple layers of security to protect its customer CPNI databases and systems from outside sources including industry-standard firewalls endpoint security, limitation of access to Company systems, password-protected and encryption. Each Company reviews its cyber systems periodically to determine if more advanced protection methods are available.

The Company trains its personnel as to privacy issues, pretexting, and when and under what circumstances they can disclose CPNI information to customers. The Company has an express disciplinary process in place for intentional or unintentional breaches of information.

### **Relevant Reporting Information**

Kerman Telephone Co., Foresthill Telephone Co., and Audeamus, had no customer complaints concerning the release of unauthorized CPNI information.

Kerman Telephone Co. and Audeamus, had no unauthorized breaches of CPNI information. Foresthill Telephone Co. had 1 unauthorized breach related to a lost laptop by the company's attorney (stolen on the subway) during a rate case proceeding. This breach was reported to the appropriate FBI officials. Breach

involved potential information on only 1 customer. Attorney, were instructed to be more vigilant with regards to laptop security.

Kerman Telephone Co., Foresthill Telephone Co., and Audeamus, had no reportable instances where their opt-out policy did not work appropriately.

Kerman Telephone Co., Foresthill Telephone Co., and Audeamus, have not taken any action against data brokers as no effective breaches have occurred during this period.

2018 Annual CPNI Report  
By: Tina Barrios-Lopez, CPNI Compliance Officer

- Marketing Campaign
  - Promotions are established by Sebastian's Marketing Manager and are documented by CPNI officer on the Record of Marketing Campaign Log.
    - Sebastian had 1 marketing campaigns in 2018 for Home security Packages. .
    - Bill messages and Facebook are the primary source of noticing customers.
    - Sebastian upgraded their Intranet and lists all current marketing campaigns on the Customer Service portal.
- Interface with Contractors
  - Vendors under a contract are asked to include a statement of understanding about CPNI in the contract.
  - Sebastian typically does not allow most of their vendors to be unattended at any of our locations. All vendors sign in and out at our front office and are escorted for the duration of their time on the property. If we anticipate a vendor to be unattended and that vendor is not under contract with us we then give them a condensed version of the CPNI Manual to review and sign the Statement of understanding.
- Request to Release Information
  - Subpoena and court orders
    - Sebastian received 2 requests at the Kerman location and 1 request at the Foresthill location to release customer information due to some type of investigation. All responses were sent back to requestor either via email, mail or fax and was documented on the Record of Request to Release Information Log along with what was submitted
  - Data Request
    - Sebastian received 0 non commission (CPUC) audits requesting data in 2018.
- Red Flag Rules
  - The Red Flag Rules Guideline can be found on the Sebastian Company Intranet under the Corporate Resources in the CPNI section
  - Red Flag Rules are reviewed with all New Hires at time of Orientation and every 2 years along with the CPNI Policy
  - Sebastian had 0 incidents in 2018 that pertained to Red Flag
- Notification of Account Changes
  - In March 2012 Sebastian implemented a new feature in the elation system that manages customer notification for any CPNI account changes. A file is generated weekly at both locations that will generate a letter noting what changes were made to the customer's account. These letters are mailed



## 2018 Annual CPNI Report

By: Tina Barrios-Lopez, CPNI Compliance Officer

out and an activity comment is noted on the customer's account with a copy of the letter.

- In Foresthill a total of 873 changes were documented
- In Kerman a total of 1159 changes were documented

- Breach of information
  - Sebastian had 1 information Breach when the laptop from Bill Charlie (Attorney for Cooper White Cooper Law Firm was stolen on the BART. Data Breach Report was filed to the US Secret Service and FBI. They reviewed and determined no further action is required
- Billing Disputes
  - Foresthill had 6 Dispute in 2018
    - 2 = Phone customer opt not to fix charge
    - 4 = LD charge
  - Kerman had 5 Dispute in 2018
    - 1 = Phone all phone charges including LD
    - 1 = Security Trouble ticket charge
    - 3 = LD charges
- CPNI Opt Out Notice
  - In February 2018 all customer received the CPNI Opt Out Notice via Bill message attached to their invoice. New subscribers are given a CPNI Opt Out Notice at the time they sign up for service and new notices distributed to all customers every 2 years. The next notice is scheduled to be on February 2020 customer bill.
- CPNI Operating Guidelines
  - In January 2012 Sebastian implemented CPNI password and/or a secret question policy to assist CSRs with validating the customer of record. The software blocks off CPNI information when accessing the Usage tab on a customer's screen and "authentication" is required to be entered before CPNI information is revealed.
  - All Sebastian Employees received CPNI training in January 2018 through an On Demand Session from Cronin.
  - Sebastian provides orientation training and has all new employees review the CPNI Operating Guidelines during the Onboarding Process, which is done on the employees 1<sup>st</sup> day of work. Employee is required to review, sign and turn in an acknowledgment that they have read and understand CPNI requirements. Employees that fail to review, sign and turn in their acknowledgment are reported to their supervisor for follow up which could include disciplinary action.
  - The CPNI Operating Guidelines and Red Flag Policy can be found on the Sebastian Company Intranet under the Corporate Resources section.

2018 Annual CPNI Report  
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Year 2018

Record of Marketing Campaign

Name of Campaign	Winter Wonder Sale - Home Security		
Description/Purpose of Campaign	Attract new home security customers		
Campaign initiated by	Zach Distefano		
Description of Material Used	Flyer put in all customers January 1st bill and posted on Facebook		
Specific Type of CPNI Used	None		
Date Started	2-Jan-18	Products	Security
Date Ended	8-Apr-18	Destroy Date	8-Apr-18

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Name of Campaign			
Description/Purpose of Campaign			
Campaign initiated by			
Description of Material Used			
Specific Type of CPNI Used			
Date Started		Products	
Date Ended		Destroy Date	

Name of Campaign			
Description/Purpose of Campaign			
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Name of Campaign			
Description/Purpose of Campaign			
Campaign initiated by			
Description of Material Used			
Specific Type of CPNI Used			
Date Started		Products	
Date Ended		Destroy Date	

## Record of Request to Release Information

Month	April	Year	2018	
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Name	Erik G Anderson, FBI	Number	775-328-4027	Address	Reno, NV
Nature of Request					
Subpoena 442479 Case # 24D-LV-6594578					
Subscriber information for 1/1/2017 - 4/25/2018 associated with 530-367-5737					
Replied back that we don't have any information for that number					
Name	A Paul Wolpert, Homeland Secur	Number	757-441-6533	Address	Norfolk, VA
Nature of Request					
Subpoena ICE-HSI-NF-2018-00686					
Subscriber information for 11/13/2017 - 12/24/2017 for IP Address 108.160.69.236					
replied back with subscriber information					
Name		Number		Address	
Nature of Request					
Name		Number		Address	
Nature of Request					
Name		Number		Address	
Nature of Request					
Name		Number		Address	
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Nature of Request					

Record of Request to Release Information

<b>Month</b>	<b>March</b>	<b>Year</b>	<b>2018</b>	
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Name	SA Mark Soto, DEA	Number 720-895-4214	Address
Nature of Request	DEA served a subpoena for Subpoena #MK-18-422268 case # MK-18-0038 Subscriber information for 559-846-0890 for period between 02/04/2018 and 03/05/2018 Responded back that we have no information on the number they are requesting		
Name		Number	Address
Nature of Request			
Name		Number	Address
Nature of Request			
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